PRELIMINARY ELIGIBILITY FOR ANTICIPATED RESILIENT DISPATCHABLE GENERATION AND ENERGY STORAGE OUTLEASE AT

JOINT BASE PEARL HARBOR HICKAM (JBPHH)

HAWAII

Request For Qualifications (RFQ)

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Naval Facilities Engineering Command, Headquarters Washington Navy Yard, District of Columbia 20374-5065

Contents

1.0 EXECUTIVE SUMMARY	4
1.1 AUTHORITY	4
1.2 JBPHH ENERGY RESILIENCY	4
1.3 SITE LOCATION	
1.4 VISION	5
1.5 BUSINESS OPPORTUNITY	6
1.6 RFQ OBJECTIVES	
2.0 DEVELOPMENT CONSIDERATIONS	6
2.3 DON ENVIRONMENTAL DOCUMENTATION	7
2.4 UTILITIES	7
2.5 EASEMENTS AND ENCUMBRANCES	7
2.6 NAVAL ORDNANCE SAFETY AND SECURITY ACTIVITY (NOSSA)	7
2.7 McKINNEY-VENTO HOMELESS ASSISTANCE ACT	7
2.8 DAVIS-BACON ACT	
2.9 BUILDING CODES & OTHER REQUIREMENTS	8
3.0 EVALUATION OF QUALIFICATIONS	8
3.1 QUALIFICATION	8
3.2 RISK FACTORS	8
3.3 IN-KIND CONSIDERATION PERFORMANCE STANDARD	9
4.0 RFQ RESPONSE SUBMISSION INSTRUCTIONS & PROCESS	9
4.1 RFQ RESPONSE CONTENTS AND FORMAT	9
4.2 SUBMISSION OF RESPONSES	
4.5 IDENTIFICATION OF RESPONDENTS FOR PRELIMINARY ELIGIBILITY FOR	
FUTURE RFPs	10
4.6 CLARIFYING QUESTIONS	10
5.0 SPECIAL CONDITIONS AND LIMITATIONS	
5.1 NO OBLIGATION	11
5.2 HOLD HARMLESS	11
5.3 WAIVER	
5.4 POINT OF CONTACT FOR INFORMATION AND CLARIFICATIONS	
6.0 APPENDICES	
6.1 APPENDIX A – MAPS	12
6.2 APPENDIX B – INSTALLATION ACCESS REQUEST FORM	16
6.3 APPENDIX C – PAST PERFORMANCE QUESTIONNAIRE	16

REQUEST FOR QUALIFICATIONS FOR PRELIMINARY LEASE ELIGIBILITY AT .IBPHH

1.0 EXECUTIVE SUMMARY

1.1 AUTHORITY

The Department of the Navy (DON) anticipates availability of non-excess real property at JBPHH, Hawaii, for potential future lease under the authority of Title 10, United States Code § 2667.

1.2 JBPHH ENERGY RESILIENCY

This RFQ for outlease and development of underutilized, non-excess property aboard JBPHH is made in furtherance of objectives outlined in SECNAVINST 4101.3A.

In order to achieve energy resiliency for JBPHH and the island of Oahu, it is expected that approximately 100MW of resilient capacity is required. To meet that expected requirement, the Navy envisions allowing capacity to be commercially generated and/or stored on DON property. For any response to qualify technically, the response would need to offer a solution that provides for at least 100MW of resilient capacity to JBPHH Installation load. Any response that does not meet that minimum standard, will not qualify.

1.3 SITE LOCATION

The proposed sites ("Sites") consist of five (5) parcels of improved land on JBPHH totaling approximately ten (10) – seventeen (17) acres of land each and one (1) parcel of approximately ninety (90) acres on West Loch Annex adjacent to the existing West Loch Phase I solar facility, for a total of six (6) Sites (see Section 6). Site 5 boundary has been expanded from 10 acres to approximately 17 acres, per attached updated Site 5 map (see attachment to this Amendment). Site 2 boundary may have the possibility to be expanded upon further technical considerations, including, but not limited to, successful 138kV interconnection from the generation source at Site 2 to the nearest utility-owned electrical substation.

For purposes of this RFQ, the Government is not predetermining potential configurations of Sites for respondents. As such, respondents are expected to determine the optimal Site(s) or combinations of Sites to develop projects that meet JBPHH (Installation) requirements for energy resiliency. Bidders may utilize Site 6 and Site 5 and one (1) of the Sites 1-4 in their response, not to exceed three (3) sites total. Responses which request more than three (3) sites, or more than one (1) Site at locations 1-4, will not qualify.

Site 6, West Loch Annex, is located within the 4,000-acre JBPHH West Loch Annex that inludes ammunition wharves on the West Loch frontage, ammunition storage areas, and the associated safety clearance zones. Site 6 is partially constrained by ESQD arcs (land use hazard zones regulated by DoD Explosives Safety Board (DDESB) which establishes guidelines for various quantities and types of ammunition and explosives) and access to Site 6 may fall within the Public Traffic Route (PTR) arcs and additional restrictions may apply. Since the Site is located within the ESQD arc, any proposed project would need to be approved by DDESB. An

Environmental Assessment (EA) was performed for Photovoltaic system and matter energy storage at West Loch, including Site 6 (publicly available document found here: https://www.navfac.navy.mil/content/dam/navfac/NAVFAC%20Pacific/PDFs/Draft%20EA/Draft%20EA_Photovoltaic%20System_Joint%20Base%20Pearl%20Harbor%20Hickam.pdf).

The Sites indicated in Section 6, comprise all of the DON property expected to be available for this use, to include any necessary shading, buffers, stand-offs, fencing, or lay-down areas. Any displaced parking will require mitigation.

It is anticipated that infrastructure upgrades may be required for successful performance of a System.

The Installation's electric distribution system is fed from 46kV Hawaiian Electric's (HE) utility feeders stepped down to an operating voltage of 12kV distribution line, which powers facilities located at Pearl Harbor, Hickam, Ford Island and Makalapa. The current average base load is 65 MW and the estimated peak load is 85 MW. Excess capacity of approximately 20MW is anticipated to service the City and County of Honolulu during a grid outage, averaged at an annual 107MWh/yr. Load growth in the coming years is expected, therefore, capacity of the generation and/or storage system should not be limited to current load, but instead maximized within the physical constraints of the property.

Site improvement(s) must comply with applicable future Lease provisions, Installation Appearance Plans, Installation Development Plans, and be context sensitive (i.e. blend with the surrounding area).

1.4 VISION

The fundamental aim of using enhanced use leases under 10 U.S.C. § 2667 to further the DON energy program, is to achieve energy security and achieve energy resiliency. The term "energy security" means having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet mission essential requirements as provided in 10 U.S.C. § 2924 (3)(A). The term "Energy resilience", in accordance with section 101(e) of title 10, United States Code (U.S.C.), is "the ability to avoid, prepare for, minimize, adapt to, and recover from anticipated and unanticipated energy disruptions in order to ensure energy availability and reliability sufficient to provide for mission assurance and readiness, including task critical assets and other mission essential operations related to readiness, and to execute or rapidly reestablish mission essential requirements."

As such, the DON is considering opportunities to host the private development of resilient dispatchable generation and/or storage systems projects that would both sell to the public utility grid and provide some form of energy resiliency to the Navy.

With a focus on energy security and resilience, the DON expects to seek In-Kind Consideration (IKC) in lieu of cash rents from potential lease(s) in the form of electrical infrastructure upgrades or other proposed measures to increase the energy resilience posture of JBPHH. Specifically, the DON is seeking qualifications from past projects or existing technologies that employ a fast-switching and control design which, during a grid disruption, provides continuous access to

reliable and quality power with islanding and black start capability. The generation asset owner and utility enjoy mutual benefit of this design connection, which can reduce or eliminate curtailment with an available and islanded load during times of grid outage.

Respondents are encouraged to provide innovative approaches that leverage resilient dispatchable generation and/or storage on the leased premises to increase Installation energy availability during planned or unplanned disruptions. Other potential IKC may be submitted as well in addition to the resiliency requirements described above.

It is expected that respondents to this RFQ, will seek to secure offtake agreements for proposed projects through available market offtake opportunities. The developers that receive offtake agreement(s) may be evaluated under future DON Request For Proposal (RFP), though DON is under no obligation to do so.

1.5 BUSINESS OPPORTUNITY

The DON intends to evaluate responses to this RFQ to preliminarily identify qualified parties capable of competing to lease and develop the Site(s) based on corporate, financial, technical, and national security criteria. Although this RFQ does not obligate DON to issue a future RFP or award a lease to any counterparty, pre-qualified parties may wish to use the pre-qualification to support bid submissions towards available market offtake opportunities. Clearly established offtake opportunities are likely to be a factor in the future RFP for outlease; however, participation in this RFQ process to support offtake bidding is not a pre-requisite to participation in any future DON RFPs.

1.6 RFQ OBJECTIVES

The following objectives have been set for this RFQ:

- Identify parties who will likely provide good stewardship over DON property;
- Identify parties who demonstrate a feasible approach to successfully integrate development activities with cultural resources and environmental policy management requirements compatible with local energy and environmental goals and the mission of the Installation;
- Identify parties with a demonstrated ability to comply with all National Environmental Policy Act (NEPA) and Environmental Condition of Property (ECP) Report and Checklist requirements;
- Identify parties who will employ the best commercial practices to the benefit of both the DON and the party themselves, and enhance energy security for the Installation in accordance with Title 10, United States Code § 2924 (3)(A);
- Identify parties who demonstrate ability to secure offtake in the commercial utility market.

2.0 DEVELOPMENT CONSIDERATIONS

Information and/or documents pertaining to the property and provided to respondents as part of this RFQ are believed to be correct; however, the DON does not warrant this information. Any Sites in a potential future RFP will be offered "as is, where is." All commercial activities shall be confined to the Site(s) (see Section 6), however, proposed IKC may be provided outside of the

expected lease footprint. JBPHH goals for this RFQ include, but are not limited to, identifying potential lessees that can provide:

- Continuous electrical power availability, employing access to both grid power and the generation asset, together with improvements to the Installation's distribution infrastructure - and utility-owned systems;
- Increased resilience to include improved power quality and whole base black start capable islanding during a regional grid outage, infrastructure upgrades/redundancy, controls and automation, etc.

Any photovoltaic device for use in the project shall comply with Section 858 of Public Law 113-291.

2.3 DON ENVIRONMENTAL DOCUMENTATION

An ECP Memorandum for the Record and all required NEPA documentation will be completed by prior to lease execution. Lessee will be responsible for compliance with any necessary environmental mitigation determined during the course of conducting the NEPA review.

An Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for West Loch Phase I has been completed. The EA and FONSI can be found at the following location (publicly available document found here:

https://www.navfac.navy.mil/content/dam/navfac/NAVFAC%20Pacific/PDFs/Draft%20EA/Draft%20EA Photovoltaic%20System Joint%20Base%20Pearl%20Harbor%20Hickam.pdf). Per paragraph 1.6, all parties must comply with all NEPA requirements.

2.4 UTILITIES

HE provides the distribution of electricity to the Installation. Connection may be subject to an interconnection agreement. Qualified bidder(s) undertakes all risk of failure to obtain all necessary permits and agreements including offtake.

2.5 EASEMENTS AND ENCUMBRANCES

Easements and Encumbrances will be determined prior to a potential future lease solicitation.

2.6 NAVAL ORDNANCE SAFETY AND SECURITY ACTIVITY (NOSSA)

NOSSA requirements will be determined prior to a potential future lease solicitation, as applicable.

2.7 McKINNEY-VENTO HOMELESS ASSISTANCE ACT

Under Title V of the McKinney-Vento Homeless Assistance Act, a Federal Register notice regarding the property will be completed by DON prior to a potential future lease solicitation.

2.8 DAVIS-BACON ACT

Davis-Bacon wage requirements apply to the elements of the project constructed on behalf of DON exclusively as specific IKC projects for DON's sole benefit.

2.9 BUILDING CODES & OTHER REQUIREMENTS

As it may be relevant to responses to this RFQ, please note that all construction on the Sites shall comply with all Installation construction requirements and vehicle access routes as well as with local, city and county building codes and all applicable governmental laws, codes, rules and regulations. Construction on the Site shall also comply with the appropriate National Fire Protection Association (NFPA) Standards, National Electrical Code (NEC), and National Electric Safety Code (NESC), then in effect for the type(s) of occupancy proposed, or such other more stringent fire protection, electrical and other life safety codes, if any, then in effect and adopted by the city and county.

Construction of any Site Fencing shall comply with Unified Facilities Criteria (UFC) 4-022-03; however, exclude the following paragraphs:

- 2-11 Reinforcement for Fencing
- 2-12.2 Double Fence Lines
- 2-12.3 Fence Line Electronic Security Systems
- 2-12.4 Security Lighting

There shall be no barbed wire on the site fencing.

Entering and transiting through government property shall be conducted in a safe manner and comply with Installation safety and security standards. Developer shall comply with all applicable Installation access and security requirements.

3.0 EVALUATION OF QUALIFICATIONS

3.1 QUALIFICATION

It is the intent of the DON that after a thorough review and evaluation of all compliant RFQ responses received, a preliminary eligibility qualification will be issued to each qualified respondent.

3.2 RISK FACTORS

Responses will be evaluated on all Factors using the following Risk Assessment. Evaluations resulting in low risk ratings will generally be expected to result in pre-qualification. Evaluations resulting in moderate risk ratings may result in pre-qualification contingent upon required mitigation or non-qualification. Evaluations resulting in high risk ratings will generally not be given pre-qualification; however, may be pre-qualified contingent upon required mitigation, if applicable.

LOW RISK (L): Any weaknesses have little potential to cause disruption to the finance, construction and operation phases. Normal contractor/DON effort and monitoring will probably minimize any difficulties. Little doubt exists, based on the Respondent's performance record, that the Respondent can perform the proposed effort and meets national security requirements.

MODERATE RISK (M): There are weaknesses identified by the evaluators that have the potential to cause disruption to the finance, construction and operation phases. Special contractor/DON effort and close monitoring will probably minimize any difficulties. Some doubt exists, based on the Respondent's performance record, that the Respondent can perform the proposed effort and meets national security requirements.

HIGH RISK (H): There are weaknesses identified by the evaluators that have the potential to cause significant disruption to the construction and operation phases even with special contractor/DON effort and close monitoring. Significant doubt exists, based on the respondent's performance record, that the respondent can perform the proposed effort and meets national security requirements.

For the qualification factor for National Security, any response that does not provide the Entity name of any partners, financiers, equity providers, etc., may initially be pre-qualified if the respondent themselves pass for qualifications. However, further review for National Security will be performed at the time of any potential RFP and project financing and/or change of ownership action requiring Government consent during the term of the lease. If any partners, financiers, equity providers, etc., are found to be at high risk, or if further information is provided on the prime respondent, that puts them at high risk, that respondent will not qualify for selection.

3.3 IN-KIND CONSIDERATION PERFORMANCE STANDARD

At JBPHH, the DON desires energy security and resiliency in two tiers:

- Most Desirable: Distribution level energy infrastructure improvements and access to secure, reliable power
- Least Desirable: Facility level energy infrastructure improvements and access to secure, reliable power

4.0 RFQ RESPONSE SUBMISSION INSTRUCTIONS & PROCESS

4.1 RFQ RESPONSE CONTENTS AND FORMAT

The respondent's RFQ response will consist of one factor designed to evaluate corporate, financial, technical, and national security qualifications.

Factor A: Business Qualification

- SubFactor A1: Respondent will provide corporate and teaming description that identifies:
 - Corporate and project entity ownership and control documentation;
 - Relevant experience and examples of past and present project performance with Department of Defense (DoD) and non-DoD projects as applicable, and addressing the objectives described in Paragraph 1.6 of this RFQ.
- SubFactor A2: Respondent will provide a conceptual project description that identifies:
 - Anticipated structure of project financing for the proposed project, including sources of all capital components;
 - Anticipated interconnection scheme;

- Anticipated technology and grid services to be sold to offtaker.
- Identify the *shortest* lease term required to ensure financial viability of the project.
- SubFactor A3: Respondent will provide:
 - Plan for obtaining offtake agreements for any services sold into the market, if available.
 - Indicative IKC approach in lieu of cash rents from potential lease(s) in the form of electrical infrastructure upgrades or other proposed measures to increase the energy resilience posture of JBPHH.

4.2 SUBMISSION OF RESPONSES

Respondents will send all RFQ response materials NLT 5pm HST on 31 October 2019, however, respondents may send in materials earlier for pre-qualification. Reviews for pre-qualification will be held Bi-weekly with the first review starting on 19 September 2019.

RFQ response materials include a complete Factor A response.

Respondents shall send files, via email to ALL of the following recipients:

Debra Kemp, at <u>debra.kemp@navy.mil</u>
Megan Schroeder, at <u>megan.e.schroeder.ctr@navy.mil</u>

Site visits were held for all interested parties at that time between 24-27 September, 2019. Respondents seeking an additional site visit must submit Installation access requests as part of their RFQ response package to:

Peter Yuen, at peter.yuen@navy.mil

RFQ responses must identify a single person of contact responsible for all communications with respect to this RFQ. Submit POC name, title, phone number, email, and mailing address.

RFQ responses must be submitted as a single PDF document, no larger than 20MB. RFQ responses must be formatted to correspond with Factor A outlined in Section 4.1.

4.5 IDENTIFICATION OF RESPONDENTS FOR PRELIMINARY ELIGIBILITY FOR FUTURE RFPs

All RFQ responses submitted will be evaluated using the Factors outlined in Section 3.2. The respondent or respondents submitting satisfactory responses will be notified of their preliminary eligibility, consistent with Section 5.1.

4.6 CLARIFYING QUESTIONS

At the discretion of the DON, clarifying questions may be asked via email, regarding specifics within respondent's RFQ response. Clarifying questions may be asked of any or all respondents. Respondents are required to submit written submissions in response to clarifying questions, limited to material requested in the clarifying questions.

5.0 SPECIAL CONDITIONS AND LIMITATIONS

5.1 NO OBLIGATION

While the DON intends to pre-qualify respondents to this RFQ for potential future outleases through the process set forth in this RFQ, the DON is under no obligation to pre-qualify any particular individual as a result of this RFQ. The DON reserves the right to cancel this RFQ at any time, or to reject any and all submissions prepared in response to this RFQ. Nevertheless, failure to participate in this RFQ process or to obtain pre-qualification does not preclude any entity from participating in the anticipated RFP, when it is issued.

The publication of this RFQ and pre-qualification of any individuals also does not obligate the DON to issue a future RFP, or enter into a lease with any respondents submitting responses to this RFQ or a future RFP. The DON reserves the right to enter into leases with multiple respondents regarding any or all parcels.

5.2 HOLD HARMLESS

By participating in the RFQ process, respondents agree to hold the United States of America, its officers, employees, and advisors harmless from all claims, liabilities, and costs related to all aspects of this RFQ. Materials submitted in response to this RFQ become property of the Government upon submission. Under no circumstances shall the Government be liable for any "response" costs, real estate brokerage commissions, finder's fees, or other forms of compensation related in any way to the respondents' submission of RFQ responses.

5.3 WAIVER

The DON reserves the right to waive informalities and minor irregularities in submissions received if it is determined that it is in the best interest of the Government to do so.

5.4 POINT OF CONTACT FOR INFORMATION AND CLARIFICATIONS

All questions, clarifications, and general information requests shall be submitted via email to both: debra.kemp@navy.mil and megan.e.schroeder.ctr@navy.mil.

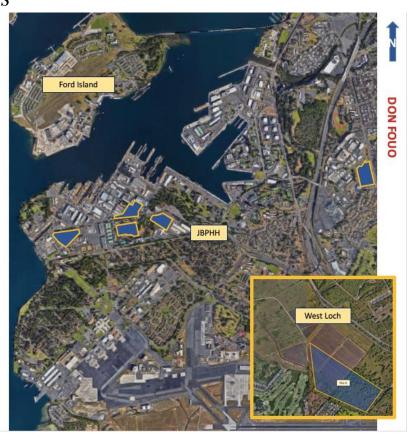
6.0 APPENDICES

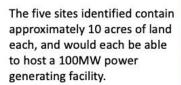
6.1 APPENDIX A – MAPS

JBPHH have identified 6 available sites to support energy resiliency:

- Five ~10 acres sites;
- One site of approximately 90 acres of land at West Loch









Available Sites





Proposed 10 Acre Site Boundary





Site 3





Proposed 10 Acre Site Boundary



Proposed 10 Acre Site Boundary

Site 5



Site 6



6.2 APPENDIX B – INSTALLATION ACCESS REQUEST FORM See additional documents posted on FedBizOpps.

6.3 APPENDIX C – PAST PERFORMANCE QUESTIONNAIRE See additional documents posted on FedBizOpps.